

## Federal Communications Commission Washington, D.C. 20554

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Gregory L. Masters, Esq. Wiley Rein LLP 1776 K Street, N.W. Washington, DC 20006

Re: Various Applications for Assignment of License and Transfer of Control of Montecito Broadcast Group, LLC to New Vision Television, LLC<sup>1</sup>

## Dear Counsel:

This is in regard to the applications to assign and transfer the licenses of several television stations currently controlled by Montecito Broadcast Group, LLC (Montecito) to New Vision Television, LLC (New Vision). Included in the transaction are applications seeking authorization to continue operating station KSNC(TV), Great Bend, Kansas, as a satellite of KSNW(TV), Wichita, Kansas, and to operate stations KHAW-TV, Hilo, Hawaii, and KAII-TV, Wailuku, Hawaii, as satellites of KHON-TV, Honolulu, Hawaii, pursuant to Note 5 of Section 73.3555 of the Commission's Rules. For the reasons stated below, we grant the applications and the requests for continuing satellite operation.

Since purchasing the stations in 2005, Montecito has continued to operate KSNC(TV), KAII-TV, and KHAW-TV as satellites.<sup>2</sup> Pursuant to the Commission's television satellite policy, as set forth in *Television Satellite Stations*,<sup>3</sup> an applicant is entitled to a presumption that the proposed satellite operation is in the public interest if it meets three criteria: (1) there is no City Grade overlap between the parent and the satellite; (2) the proposed satellite would provide service to an underserved area; and (3) no alternative operator is ready and able to construct or to purchase and operate the satellite as a full-service station.<sup>4</sup> Applications meeting these criteria, when unrebutted, will be viewed favorably by the Commission. If an applicant cannot qualify for the presumption, the Commission will evaluate the proposal on an *ad hoc* basis, and grant the application if there are compelling circumstances that warrant approval.<sup>5</sup>

<sup>&</sup>lt;sup>1</sup> A list of the applications covered by this letter is attached as Exhibit A.

<sup>&</sup>lt;sup>2</sup> See Emmis Television License, LLC, 20 FCC Rcd 20041 (Video Division 2005).

<sup>&</sup>lt;sup>3</sup> Television Satellite Stations, 6 FCC Rcd 4212 (1991), subsequent citations omitted.

<sup>&</sup>lt;sup>4</sup> *Id.* at 4213-14.

<sup>&</sup>lt;sup>5</sup> *Id* 

With regard to the first criterion, New Vision has submitted Engineering Statements that demonstrate there is no City Grade overlap between KSNC(TV) and KSNW(TV) and that there is no City Grade overlap between KHAW-TV or KAII-TV and KHON-TV. Therefore, all of the stations meet the first criterion.

With regard to the second criterion, an area is deemed underserved if, under the "transmission test," there are two or fewer full-service stations licensed to the satellite's community of license.<sup>6</sup> Because KSNC(TV) is the only television station licensed to Great Bend, Kansas, it meets the second criterion.

An area may also be deemed underserved if, under the "reception test," 25% of more of the area within the satellite's Grade B contour, but outside the parent's Grande B contour, receives four or fewer television services, not counting the proposed satellite. For purposes of the "reception test," television service includes educational, satellite, low power and translator stations and their service is deemed to be received in the relevant area if the station's Grade B contour (or protected contour in the case of a low power or translator station) covers that area. New Vision has submitted an Engineering Statement demonstrating the 64.8% of the area within station KHAW-TV's Grade B contour, but outside KHON-TV's Grade B contour, is served by four or fewer services. KHAW-TV, therefore, meets the second criterion.

The Engineering Statement also shows that 7.63% of the area within KAII-TV's Grade B contour, but outside of KHON-TV's Grade B contour, is served by four or fewer television stations. Although, KAII-TV does not meet the second criterion for presumptive authority to operate as a satellite, New Vision argues that the Commission may grant KAII-TV's continued authority to operate as a satellite station upon a consideration of other compelling reasons. New Vision states that several of the other stations serving KAII-TV's service area operate as satellite or translator stations. New Vision argues that the unique geographic features of the Hawaiian Islands make it difficult if not impossible for a station located on Oahu to adequately serve viewers located on Maui unless a satellite station is employed. Further, New Vision maintains that the limited population located on Maui makes it infeasible from an economic standpoint to operate a stand-alone station on Maui. Without a grant of continued satellite status for KAII-TV, New Vision argues that it is unlikely that Maui will continue to receive Fox programming.

With regard to the third criterion, New Vision states that no alternative operator is ready to purchase and operate any of the three stations as full service, stand-alone stations. New Vision notes that the Commission has previously reviewed and approved the sale of these stations as a group. Further, New Vision submits a letter from Brian E. Cobb, President of CobbCorp, LLC, a media brokerage company. Mr. Cobb concludes that none of the three stations would be viable as stand-alone stations. Mr. Cobb explains that none of the stations are located in sufficiently large communities to be economically successful on their own nor would they be able to retain any network affiliation. Mr. Cobb states that, if he were asked to list these stations for sale as stand-alone facilities, he would be unwilling to accept the listing.

<sup>&</sup>lt;sup>6</sup> *Id.* at 4215.

<sup>&</sup>lt;sup>7</sup> *Id*.

<sup>&</sup>lt;sup>8</sup> *Id.* at 4214.

Based on these representations, we find that New Vision has met the requirements for a favorable presumption under the three-prong satellite standard for KSNC(TV) and KHAW-TV. We also believe that New Vision has presented compelling evidence to support *ad hoc* approval of continued satellite operation of KAII-TV. Finally, we find that New Vision has demonstrated that the continued satellite operations of all three of the stations at issue would be in the public interest.

Having found the parties fully qualified, we conclude that grant of the subject applications would serve the public interest.

ACCORDINGLY, IT IS ORDERED, That the applications for transfer of control of KSNC(TV), Great Bend, Kansas; KSNG(TV), Garden City, Kansas; KSNK(TV), McCook, Nebraska; KSNT(TV), Topeka, Kansas; and KSNW(TV), Wichita, Kansas; (File Nos. BTCCT-20070730AHM, AHO, AHP, AHQ and AHR); and the applications for assignment of license of KAII-TV, Wailuku, Hawaii; KHAW-TV, Hilo, Hawaii; KHON-TV, Honolulu, Hawaii; and KOIN(TV), Portland, Oregon (File Nos. BALCT-20070730AGR, AGS, AGU and AGZ) ARE GRANTED, provided however that consummation of the assignments of license authorized hereby are conditioned upon the establishment and full funding of an escrow account, pursuant to an escrow agreement approved by the Commission, as contemplated in the "Tolling Agreement Addendum," for KHON-TV, Honolulu, HI; KAII-TV, Wailuku, HI; KHAW-TV, Hilo, HI; and KOIN(TV), Portland, OR, dated October 30, 2007, and signed by Montecito Hawaii License, LLC and Montecito Portland License, LLC.

Sincerely,

Barbara A. Kreisman Chief, Video Division Media Bureau

**EXHIBIT A** 

| Station  | Fac Id No. | City of License | File No.          |
|----------|------------|-----------------|-------------------|
|          |            |                 |                   |
| KAII-TV  | 4145       | Wailuku, HI     | BALCT-20070730AGU |
| KHAW-TV  | 4146       | Hilo, HI        | BALCT-20070730AGS |
| KHON-TV  | 4144       | Honolulu, HI    | BALCT-20070730AGR |
| KOIN(TV) | 35380      | Portland, OR    | BALCT-20070730AGZ |
| KSNC(TV) | 72359      | Great Bend, KS  | BTCCT-20070730AHP |
| KSNG(TV) | 72361      | Garden City, KS | BTCCT-20070730AHQ |
| KSNK(TV) | 72362      | McCook, NE      | BTCCT-20070730AHR |
| KSNT(TV) | 67335      | Topeka, KS      | BTCCT-20070730AHM |
| KSNW(TV) | 72358      | Wichita, KS     | BTCCT-20070730AHO |